



Rothschild, E3 launch carbon credit investment fund



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Billed as the first of its kind in the Asia-Pacific region and soon to be followed by other similar private investment vehicles, the Carbon Ring Consortium seeks to raise \$2 million, with individual investors obliged to pay \$100,000.

"With recent developments in international climate change policy, the question is no longer if, but when the global carbon trading market will emerge," said Richard Martin, chief executive officer of Rothschild Australia.

Rothschild said in a prospectus that the Carbon Ring Consortium would be open for investments until October 30.

It would be wrapped up in June 2003, when the carbon credits purchased will be distributed to investors pro rata.

Trading environmental credits is an emerging market designed to allow firms that fail to meet emissions standards to buy credits from other firms that undercut their targets.

The Kyoto accord signed by developing nations in the Japanese city of that name envisages some carbon credit trade between countries with so-called carbon sinks - forests - and others that produce higher levels of pollution than they are allowed to.

The same applies to companies, and a nascent market has already emerged in the United States where some states have limits on acid rain components like sulphur dioxide and others have limits on carbon dioxide emissions.

Greenhouse gases such as carbon dioxide are blamed by many scientists for rising world temperatures.

The investment bank said it was estimated that the global carbon trading market could be worth up to \$150 billion by 2012.

It said it looked increasingly likely that the 1997 Kyoto Protocol on reducing greenhouse gas emissions would be ratified by enough countries to come into effect, notwithstanding the decision of the United States and Australia to reject the accord.

The process of investing will involve workshops to allow investors to gain hands-on knowledge of the new market.

The unregistered, managed investment scheme will be the first in a series of private investment vehicles that Carbon Ring Pty Limited, a joint venture between Rothschild and E3 International, expects to launch in the coming years, the partners said.

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